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Cooperatives in social development

Report of the Secretary-General

Summary

The present report has been prepared in response to General Assembly resolution 56/114 of 19 December 2001, entitled "Cooperatives in social development", in which the Assembly requested the Secretary-General to report to it at its fifty-eighth session on the implementation of that resolution.

The report comprises an introduction and two sections. Section II reports on the progress achieved in the implementation of General Assembly resolution 56/114, with particular reference to activities undertaken to promote a supportive environment for the development of cooperatives and the contribution of cooperatives to, inter alia, the eradication of poverty, the generation of full and productive employment, and the enhancement of social integration.

Section III presents some concluding observations together with a summary of proposals to promote the development of cooperatives and a supportive environment for that development.

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I. Introduction

1. The present report responds to General Assembly resolution 56/114 of 19 December 2001, entitled "Cooperatives in social development", in which the Assembly requested the Secretary-General to report on the implementation of that resolution to the Assembly at its fifty-eighth session. In the same resolution, the Assembly drew the attention of Member States to the draft guidelines aimed at creating a supportive environment for the development of cooperatives (A/56/73-E/2001/68, annex), to be considered by them in developing or revising their national policies on cooperatives.

2. A questionnaire was sent to all Member States seeking information on progress made in the implementation of General Assembly resolution 56/114. This report is based on the replies received from 27 governmental agencies.[1] A shorter version of the questionnaire was transmitted to relevant international organizations, specialized agencies and the International Cooperative Alliance (ICA), to which eight responses were received.[2]

II. Implementation of General Assembly resolution 56/114

A. Member States

1. Poverty eradication, employment-creation and social integration

3. In general, Governments reported their continuing support for the development of cooperatives and their recognition of the role of cooperatives in, and their contribution to, the attainment of social development goals, in particular the eradication of poverty, the generation of full and productive employment, and the enhancement of social integration. The experience of selected Member States is summarized below.

4. In Cambodia, a number of federal departments have developed cooperative initiatives to further their departmental objectives, and these have included providing development funds to pilot-test the use of the worker cooperative model for job creation. The cooperative model is being considered by the Government for the provision of health care and home-care services.

5. In Canada, the five-year Cooperative Development Initiative seeks to enhance the capacity of the cooperative sector to help people start cooperatives, and to research and test innovative applications of the cooperative model. The priorities for this new programme include assistance for marginalized individuals and communities. The Voluntary Sector Initiative, a horizontal federal strategy, is supporting a two-year cooperative project to develop a policy framework for the use of the cooperative model in low-income communities in alleviating poverty. Through the Canadian Adaptation and Rural Development Programme, cooperative organizations have received funding for renewal of the agriculture cooperative sector, including leadership development, awareness-raising, and a study of capitalization challenges. The federal Government provides funding of approximately C$ 200 million per year for 60,000 cooperative housing units built through federal or federal-provincial social housing programmes.

6. The Government of Chile reports that it seeks to develop credit unions, and housing and educational cooperatives, as well as agricultural cooperatives, especially in the dairy sector. There is a modernization plan to enhance the management and control of cooperatives, to restructure the Department of Cooperatives, and to seek new sources of funding and technical support to secure the viability and visibility of the cooperative sector.

7. In China, cooperative organizations at all levels directly participated in the Government's poverty reduction activities which have provided technical training and helped poor people to create specialized cooperatives. In addition, local governments provide a favourable policy environment for the development of cooperatives among peasants, the urban poor and the unemployed through preferential tax and credit terms to cooperatives.

8. In Colombia, the Government has conducted studies on the impact of cooperative activities on poverty eradication, employment-generation and the enhancement of social integration. Together with the help of international partners, the Government has encouraged the establishment and development of cooperatives, especially among people belonging to vulnerable groups and in specific sectors of the economy.

9. In Cyprus, the cooperative movement promotes social development, the eradication of poverty and social integration through the creation of new jobs and the provision of loans at favourable terms to its members for housing, education, agriculture, health care, consumer goods and small business development.

10. The Ministry of Labour of Finland has identified support to cooperatives as an important instrument in employment-generation. In 2001, €3.1 million were granted as aid for independent initiatives to 220 communities, the majority of which were cooperative associations for the unemployed. In its 2002 budget, the Government allocated €3.3 million for the start-up support of new cooperatives. One prerequisite for obtaining this support is that at least 75 per cent of the employees of any newly established cooperative must have been previously unemployed.

11. In 2002, the Government of Kyrgyzstan approved a State programme that paid special attention to credit unions organized by the unemployed and the poor to deal with the small credits received from the State.

12. In Mali, the Government offers resources to cooperatives in order to promote full and productive employment and social integration in the cooperative sector. In Mauritius, credit unions are mounting micro credit projects for vulnerable groups in accordance with government policies for the alleviation of poverty.

13. The Government of Mongolia coordinates the implementation of several ongoing national programmes for the support and development of cooperatives, especially in rural areas. Within the framework of the National Poverty Alleviation Programme, support has been provided to poor and vulnerable groups for establishing cooperatives on a voluntary basis. The Government provides tax exemptions to those cooperatives that have created employment by establishing new businesses.

14. A national programme has been launched in Panama to use the cooperative model to promote self-management and sustainable development, benefit people with very low incomes, improve living conditions, and decrease unemployment and

migration. A government priority is to promote cooperatives among indigenous groups.

15. In Portugal, a new branch for social welfare cooperatives has been established within the Portuguese cooperative sector. The Cooperative Development Programme which was created in 1999 has become very active in supporting the creation of new cooperatives and the strengthening of existing ones, particularly in terms of employment-generation, investment, training and development studies.

16. The Russian Federation, collaborating with the European Union (EU) on cooperative development, has launched two large projects in the Volga region and in Siberia. In Spain, the plan of action for 2002 promoted generation of employment through national cooperatives.

17. The Government of Saint Kitts and Nevis has successfully promoted and registered cooperatives for farmers and bee-keepers in which women are participating as members. In Ukraine, a State programme for the social development of villages was adopted in 2002 in which due consideration is given to the role and contribution of cooperatives. The Government undertakes necessary measures to enable women to engage on a voluntary basis in the creation and development of cooperatives.

18. Besides their intervention at the national level, some Governments also reported on their assistance to the development of cooperatives in other countries. For example, the Government of Germany contributes to the eradication of poverty in developing countries through 26 projects that support informal and half-formal credit unions and agricultural cooperatives. The United Kingdom of Great Britain and Northern Ireland reports that the programmes of the Department of International Development include support for the establishment and development of cooperatives in a number of countries, including funding for the Rural Support Programmes in Pakistan, which promote the development and strengthening of community associations as vehicles for development.

2. Legislation, supportive environment and the draft guidelines aimed at creating a supportive environment for the development of cooperatives

19. Many Governments keep under review the legal and administrative provisions governing the activities of cooperatives and consider the United Nations guidelines when developing or revising their national policies on cooperatives. A selection of recent developments in Member States is summarized below.

20. In Botswana, in 2002, the 1989 Cooperatives Societies Act was revised and merged with the Agricultural Management Association Act. The Botswana Cooperative Association was fully involved in the review of cooperative legislation and the development of the national cooperative policy.

21. The Government of Cambodia issued a decree in July 2001 providing for the establishment and development of agricultural cooperatives. Since the adoption of General Assembly resolution 56/114, the Government has worked to clarify and strengthen the rights and obligations of the elected officials and members of cooperatives, and of the supervisory commission.

22. In Canada, the Canada Cooperatives Act of 1999 was amended in 2001 to better enable cooperatives to compete on a level playing field with other types of

corporations. Since 1999, a majority of provinces in Canada have reviewed their legislation relating to cooperatives in light of the revisions at the federal level. The Government of Canada has a designated cabinet minister responsible for cooperatives, and for relations between the Government and cooperative sector organizations. The Minister's Advisory Committee on Cooperatives provides the Minister with cooperative sector views and advice on policy and programmes.

23. The Government of Chile recently adopted new and more specific regulations for cooperatives which were developed in collaboration with cooperative organizations. These regulations emphasize the necessity of generating favourable conditions, expanding the productive base and capacity for business growth, and creating new projects, inter alia, in areas such as microfinance, savings and credit.

24. In China, the ninth five-year plan adopted by the National People's Congress contains regulations for cooperatives. When the Law on Agriculture was revised in 2002, it included additional items on cooperatives. Colombia has redesigned its strategies for cooperative development, and several legal and administrative provisions governing the activities of cooperatives have been revised. In addition, the national Congress has considered important parliamentary and governmental initiatives on the activities of cooperatives.

25. The Government of Cyprus reports that, since 1999, there have been several revisions to legislation which enables cooperatives to operate more effectively and provide better protection of the interests of their members. The Department of Cooperative Development guides and advises cooperatives, safeguarding the interests of their members and the communities they serve. To support the development of cooperatives, the Government does not tax the profits generated from transactions among their members.

26. The Government of Kuwait is collaborating with workers' unions to study ways to create new cooperatives, spread awareness of cooperatives, and increase production. The Government has also established assistance centres to help enable cooperatives to play a greater role in the national economy. Cooperatives are exempted from paying customs taxes.

27. The Government of Mali issued a political strategy document for the promotion of cooperatives in 2000, and adopted a new law regulating cooperatives in 2001. The strategy document on cooperatives envisages the creation of several funds, including a technical support fund, to aid the cooperatives sector. The new law facilitates the creation of cooperatives and offers a favourable framework for their growth and sustainability. The Government has organized an association of cooperatives to improve awareness and build a strong network among members and elected leadership. It is exploring the possibility of exempting cooperatives from fiscal and customs taxes.

28. The Government of Malta reports that it has incorporated the recommendations of General Assembly resolution 56/114 in new cooperative legislation adopted in 2002. Under the new legislation, the Cooperatives Board will supervise and monitor the cooperative movement and the economic context in which it operates.

29. In Mauritius, the Cooperatives Act is being revised to provide greater autonomy and freedom to cooperatives, while removing excessive bureaucratic and government controls and needless political interference.

30. The Government of Mongolia amended the Law on Cooperatives in 2002 in order to create a legal environment for the development of credit and saving cooperatives, and a provision on cooperative auditing has been developed for inclusion in the law on auditing. The Standing Committees of the Parliament have discussed a draft law that will provide tax exemptions for cooperatives and members of cooperatives.

31. In Panama, the Panama Cooperative Institute (IPACOOP) is in charge of the formulation, direction, planning and execution of cooperatives policies in the country. IPACOOP undertakes activities to provide cooperatives with a legal framework that enables them to operate efficiently. The Government has managed to create a supportive environment that includes an appropriate legal framework, technical assistance, education of members, and training of cooperative leaders and managers. Recently, the Government adopted measures regarding the financial consolidation of the cooperative movement.

32. The Government of the Philippines reports that the United Nations guidelines have assisted the Cooperative Development Authority (CDA) in its Amendatory Bills to the CDA Charter in formulating integrated and comprehensive plans and programmes to support a development of cooperatives that is consistent with national policy.

33. The Government of Portugal reports that much of the development and review of policies on cooperatives has been undertaken in the spirit of the guidelines set out in General Assembly resolution 54/123 of 17 December 1999. The cooperative sector is specifically enshrined in the Portuguese Constitution as one of the three sectors, together with the public and private sectors, representing the means of production in the country.

34. In Qatar, the latest law on cooperative activities was adopted in 2000, and since then several administrative resolutions have been issued to execute the law. The new provisions in the law include a number of adjustments suggested by cooperatives.

35. In the Russian Federation, a new law on credit unions was adopted in 2001, while a law on consumer cooperation was adopted in 2002. With the adoption of the law on consumer cooperatives, a union of consumer cooperatives was organized to coordinate the activities of its members, and to represent their interests at local, regional and national levels. The federal law on agricultural cooperation is under revision in order to provide more rights to members at the grass-roots level. Under current legislation, certain categories of cooperatives enjoy favourable taxation treatment. The Government encourages and facilitates the establishment and development of cooperatives through monitoring, review and revision of laws and judicial administrative practices that impact on the cooperative movement, provision of credits, and training of cooperative management.

36. In Spain, the law adopted in 1999 provided cooperatives with more autonomy, self-regulation and flexibility. The Government of Saint Kitts and Nevis intends to be guided by the General Assembly resolutions when reviewing the set of policies on development of cooperatives that was adopted in 1995. The Department of Cooperatives is discussing with cooperative leadership possible amendments to certain sections of the Cooperative Act.

37. The Government of Turkey reports that a new legal arrangement is to be adopted next year to constitute cooperatives and producer associations within the framework of the Urgent Action Plan. There have been attempts of the Government to support agricultural cooperatives technically, financially and organizationally. They have been rendered autonomous according to the cooperative principles. The Ministry of Agriculture and Rural Affairs and the Ministry of Industry and Commerce are responsible for the legal framework for development of cooperatives, and they also define the establishment, and monitor the activities, of cooperatives.

38. The Government of Ukraine reports that national policy aimed at creating a supportive environment for the cooperative development is based on the recommendations of the United Nations, and that General Assembly resolution 56/114 was considered in the preparation of the draft law for the revitalization and development of the cooperative movement, and the creation of a strong cooperative sector in the economy of the country. When this law is adopted, the revision of all current legislation on the activities of consumers, agricultural cooperatives and credit unions will be completed. The Government has adopted a programme of agricultural cooperatives development for 2003-2004. In 2000 and 2001, there were several revisions of the current law on agricultural cooperation with the aim of encouraging and facilitating the establishment and development of cooperatives.

39. The Government of the United Kingdom attaches importance to creating a supportive enabling environment for the development of cooperatives. It believes that the United Kingdom is already broadly compliant with the United Nations guidelines and it participated closely in the development of International Labour Organization (ILO) Recommendation No. 193 of 2002 on the Promotion of Cooperatives. The major review of legislation governing the not-for-profit sector began during 2002 and is currently being considered by Parliament. The reforms will help to modernize the legislation that applies to cooperatives by allowing appropriate updates to occur more easily. The Government has reviewed and brought forward a number of reforms to legislation over the last few years so as to increase the operational flexibility of credit unions.

3. Training, education and good practices

40. Most of the Governments that responded to the survey have various programmes for strengthening the cooperative sector, including measures to promote education and technical training of members, leadership and management of national cooperatives. They help to organize forums, seminars and workshops to promote an exchange of experience and good practices, to ensure transparency and quality of cooperative activities.

41. In Botswana, the Department of Cooperative Development in collaboration with national and international cooperative organizations is implementing resolutions of the ICA Regional Assembly for Africa (Mauritius, September 2002) and the African Ministerial Conference (Uganda, November 2002) on member empowerment and capacity-building, human resources development policy, youth, gender, people with disabilities, and research and development. The Department also undertakes the education of members, the elected leadership and professional management. Cooperative managers are trained in local institutions as well as in cooperative institutions of the United Republic of Tanzania, Kenya, Zambia, Canada, Sweden, the United States of America and the United Kingdom. To promote

an exchange of experience and best practices in cooperative development, Botswana has special programmes with ILO and ICA and regularly organizes conferences and business meetings for these purposes.

42. The Government of Cambodia has promoted exchange and best practices through seminars on cooperative law and workshops to raise awareness of the role of cooperatives in economic development.

43. In Canada, the national cooperative sector groups are mature organizations which have taken responsibility for the training of their own boards and employees. However, the federal Government has responded to specific requests from the cooperative sector to address identified needs. For example, leadership development in agricultural cooperatives was identified as an issue, and project funds are currently being used to develop a targeted training curriculum and resources which will be replicable for other economic sectors. Most cooperative-specific projects include a strong sharing-of-learning element, including national and/or regional workshops, seminars, and dissemination of information through web sites and other means.

44. The Government of China organizes training for cooperative leadership at the provincial level, demonstration sessions for grass-roots-level management and training workshops for other managerial personnel. Graduates of professional schools are selected for further training at universities to become instructors, and managerial staff of cooperatives are sent for training abroad. The National Association of Cooperatives holds training sessions and conferences to promote an exchange of experience and best practices in cooperative development.

45. In Cyprus, cooperatives are able to participate in the professional seminars offered by the Government to strengthen small and medium-sized businesses. The Government also organizes seminars, in cooperation with the Pan Cyprian Cooperative Confederation, that are specifically designed for the needs of cooperative members. The Scholarship Commission offers scholarships to cooperators for studies abroad. To promote and exchange best practices, the Department organizes seminars and visits to cooperatives abroad, and promotes the formation of special teams, especially from small cooperatives, which research and provide recommendations on best practices to all cooperatives.

46. The cooperative legislation in India specifies that every multi-State cooperative is to organize education programmes for its members, directors and employees and that the society shall provide funds for that purpose. In cooperation with national cooperatives and international organizations, the Government organizes conferences, workshops, and seminars at national and regional levels to create a supportive environment for the development of cooperatives and also for the exchange of experience and best practices.

47. In Kuwait, programmes, workshops, and seminars are offered to members, elected leadership, and professional management to raise awareness and improve education. The Government is using the media to convey cooperatives-related ideas, and schools have incorporated the subject of cooperatives into their curricula. The Government arranges for cooperative members to undertake exchange visits to other organizations, and organizes consultations with international experts, and programmes to promote an exchange of experience and best practices.

48. The Government of Kyrgyzstan provides training and consultative services to cooperative managers within the programme of support to small and medium-sized businesses. In Mali, the Government has undertaken studies on cooperative effectiveness and has incorporated the findings from these studies in the national strategy. In addition, the Government of Mali has conducted a series of seminars and workshops organized at both the regional and national levels. In Malta, the education of cooperative members is supported by the Central Cooperative Fund. A series of books and brochures about cooperative management is issued in both the Maltese and English languages. An extensive educational campaign in secondary schools — called Scoops — has entered its eighth year.

49. The Government of Mauritius has established a full-fledged National Cooperative Training Centre, equipped with modern training facilities, which has already trained more than 1,000 young graduates and undergraduates, and members and managers of cooperatives. Arrangements have been made to train 1,000 more persons in the current year. Since 1999, the Government, in collaboration with the cooperative movement, has arranged several conferences, workshops and seminars. Mauritius hosted the ICA Regional Assembly for Africa in September 2002.

50. The Government of Mongolia is organizing training for poor people and vulnerable groups so as to provide them with basic knowledge on cooperative development. A cooperative training centre has been established in cooperation with Die Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), the German technical assistance agency, while the "Rural Self-Help" project has been established in four provinces of Mongolia. Cooperative education is being expanded and the curricula of different colleges and universities now include classes on cooperatives. There have been opportunities for cooperators in Mongolia to benefit from international exchange: the heads of all cooperatives unions have participated in a study tour of cooperatives in Germany, and the managers of the largest cooperatives have attended a training course on cooperative development and management in Malaysia. The Government has proclaimed 2003 as the "Year of Promoting the Development of Cooperatives" and several national conferences on cooperative achievements are planned for the year.

51. In 2002, the Mongolian Government hosted an expert group meeting on the "Supportive environment for cooperative development" which was jointly organized with the Department of Economic and Social Affairs of the United Nations Secretariat, and with the assistance of the Committee for the Promotion and Advancement of Cooperatives (COPAC). The meeting was a follow-up to the issuance of the draft guidelines aimed at creating a supportive environment for the development of cooperatives, and the primary purpose of the meeting was to provide support to Member States and national, regional and international cooperative organizations in their efforts to create a supportive environment for cooperative development and to promote an exchange of experience and best practices.

52. In the Philippines, a series of conferences on the establishment of a centralized financing system for cooperatives was conducted with the help of the Bavarian Federation of Cooperatives. A Food and Agriculture Organization of the United Nations (FAO)-assisted agro-based cooperative benchmarking and best practices study was completed at the end of January 2003. In Portugal, there are annual training programmes to promote and strengthen the education of cooperative members and the professional skills of the elected leadership and management of the

national cooperative movement. It is a requirement that at least half of those who establish a new cooperative receive cooperative and management training. To promote an exchange of experience and best practices, several events were organized, including the Congress of Portuguese Cooperatives on "Cooperativism in the new millennium: the cooperative advantage" in 1999, and the seminar on "Local Development, Citizenship and the Social Economy" in 2000.

53. In Qatar, the new legal and administrative provisions encourage cooperatives to finance educational and training programmes. The Government actively cooperates with international cooperative organizations, such as the Arab Cooperative Union, and the ICA Office for North Africa and the Arab World, to promote an exchange of experience and best practices in cooperative development through conferences, workshops and seminars.

54. In Turkey, staff of the ministries responsible for cooperatives receive cooperative education and training. The ministries also organize seminars and workshops for exchange of experience and education/training of cooperative management.

55. Ukraine has developed a solid national system of cooperative education. All agricultural universities and colleges include issues of cooperative development in their curricula. The cooperative system of education embraces an academy, a university on consumer cooperation and 22 colleges with an enrolment of 40,000 students. An international conference on the "National Cooperative Movement and Structural Changes in the Ukrainian Economy in the 21st Century" was convened in the nation's capital city in 2001. The Government has initiated an exchange of experiences and best practices in cooperative development through annual national conferences and regular workshops and seminars at the regional and local levels.

4. Data on cooperatives

56. Data on cooperatives are not available in many countries. Even where data are available, the coverage of the data on cooperatives is uneven, as is evident from the summary of country experiences given below.

57. The Government of Botswana reports that it does not have statistical databases on the development of cooperatives and on their contribution to the national economy, but research is due to be undertaken during the implementation of the National Development Plan for 2003-2009.

58. In Canada, the Cooperatives Secretariat gathers and publishes statistics on all non-financial cooperatives every year, while Statistics Canada does the same for financial cooperatives. The Government of Chile has basic statistical databases on the development of the cooperative sector in several sectors, including farming, electricity, credit and savings, and housing. There is also an initiative to create a computer registry and archive of cooperatives and their members.

59. In Cyprus, the Department of Cooperative Development maintains detailed statistical databases on the development of cooperatives and their contribution to the national economy. The Department also maintains records for each cooperative. In Germany, the Ministry of Consumer Protection, Food and Agriculture maintains statistical databases on the development of cooperatives and on their contribution to the national economy. "Deutscher Genossenschafts und Raiffeisenverband", the

German umbrella association for agricultural cooperatives, offers unofficial statistical material on its home page.

60. The Kyrgyz National Committee on Statistics collects data on the number of registered cooperatives; their membership; wage reserve funds; number of newly created jobs; financial results; and volume of production and provided services. In Mali, statistical databases on the cooperatives exist but the data need to be expanded. In Malta, the Cooperatives Board has statistical databases of turnover, surplus, income and expenditure of cooperatives available from annual audited accounts. The Cooperatives Division of the Ministry of Commerce and Cooperatives of Mauritius and 14 regional cooperative centres maintain up-to-date statistical data on cooperatives.

61. The National Statistical Office in Mongolia has a cooperatives registration system. It has introduced some methodologies to evaluate the contribution of cooperatives to the development of the country's economy. In Panama, the current statistical database does not allow for an evaluation of the contribution of the cooperative sector to the national economy. There are negotiations being undertaken with the Confederation of Caribbean and Central American Cooperatives to improve the situation. In the Philippines, the integrated cooperative statistical database consists of three independent databases: the Cooperative Registration Information System; the Cooperative Annual Report Information System; and the Cooperative Classification Information System.

62. In Portugal, there is a register of the number of active cooperatives in the country. A study is published every year on the 100 largest Portuguese cooperative companies which allows a comparison of their contribution to the national economy with that of other major non-cooperative companies. Studies are also carried out from time to time on the economic and social importance of the cooperative sector in Portugal, but there are no permanently updated official statistics on cooperative development.

63. The Government of Qatar has statistical databases on the development of cooperatives, including membership, and social and economic activities, as well as the problems and hardships encountered. The Government of Spain has a regularly updated statistical database on cooperative organizations, their membership and activities. In Saint Kitts and Nevis, currently available statistical databases on the development of cooperatives provide information on membership, shares, deposits, loans and investments. The Government of Turkey has statistical databases on members of supervision boards, management, membership size, title and establishment of cooperatives. The State Committee on Statistics of Ukraine has databases on the development of cooperatives and on their contribution to the national economy.

64. In the United Kingdom, statistical information is available on the total number of cooperatives, the breakdown of number of cooperatives by economic sector, the reasons for changes in the numbers of cooperatives, the numbers of members and the total assets (also available by sector). The Department of Trade and Industry is commissioning research to establish information on the social enterprise sector, including its size, its contribution to the economy, and the number of people it employs.

B. Agencies and organizations

65. The Department of Economic and Social Affairs of the United Nations Secretariat continues to actively support cooperative development, inter alia, by actively participating as a member in the work of COPAC which brings together United Nations organizations and non-governmental organizations to coordinate their activities in the development of cooperatives through raising awareness about cooperatives among Member States; by encouraging and supporting Governments in respect of ensuring a supportive environment for the development of cooperatives that protects and advances the potential of cooperatives so as to help them achieve their goals; and by sharing experience and good practices in the development of cooperatives.

66. In this regard, the Department of Economic and Social Affairs organized, together with the Government of Mongolia, and with the assistance of COPAC, an expert group meeting on the "Supportive Environment for Cooperatives: A Stakeholder Dialogue on Definitions, Prerequisites and Process of Creation". The meeting, which was held in Ulaanbaatar from 15 to 17 May 2002, identified key issues relevant to implementing the draft guidelines and set out specific suggestions and recommendations pertaining to the creation of a supportive environment for cooperative development.

67. The FAO cooperative programme aims at strengthening decentralized capacities of public, private sector and civil society institutions such as cooperatives, farmers' groups and producer associations in support of rural poverty alleviation. FAO has been implementing a training-of-trainers programme aimed at helping developing countries and countries in transition transform their agricultural cooperatives into genuine self-reliant organizations that would operate efficiently within a market economy and contribute to improving incomes and employment opportunities for small producers. Through its field programme and technical assistance projects, FAO assists Governments in developing national cooperative policies, programmes and legislation that create a supportive and enabling environment for the establishment and operation of viable, self-reliant rural/agricultural cooperatives.

68. A Memorandum of Understanding between FAO and ICA ensures their cooperation by consultation, exchange of information and coordination of efforts in the promotion of cooperative principles and methods. FAO has assisted in the establishment of, and provides continuing technical assistance to, the Regional Network for the Development of Agricultural Cooperatives in Asia and the Pacific. Another focus of the FAO cooperative programme is on strengthening the business competitiveness of agricultural cooperatives through improved cooperative capital formation. A new initiative launched recently by FAO encompasses the strengthening of agricultural cooperative business competitiveness through computerization.

69. The ILO Cooperative Branch places great emphasis on the employment-creation and poverty alleviation activities of cooperatives and their capacity to provide social protection, especially to the marginalized sectors of society. ILO technical cooperation activities put particular emphasis on capacitating managers and board members of cooperatives established by the poorer and marginalized communities. The Interregional Programme to Support Self-Reliance of Indigenous

and Tribal Communities through Cooperatives and other Self-Help Organizations (INDISCO Programme), for example, has a special mandate to enable and help indigenous peoples to establish cooperatives and to create decent employment through culturally appropriate and community-driven approaches. In the last six years, INDISCO projects in Asia and Africa created some 15,000 sustainable jobs for indigenous peoples through cooperatives.

70. The 90th International Labour Conference in June 2002 adopted Recommendation No. 193, which is the new ILO Recommendation on the Promotion of Cooperatives. Its main features are: recognition of the importance of cooperatives in economic and social development; reaffirmation of the cooperative identity; equal treatment for cooperatives; definition of the government's role in creating a supportive policy and legal framework, and in facilitating access to support services and finance; an active promotional role for employers', workers' and cooperative organizations; and encouragement of international cooperation.

71. Through its technical cooperation programmes, the ILO Cooperative Branch has undertaken extensive efforts to promote social development and poverty alleviation in rural areas through cooperative development that promote gender equality, women's empowerment, food security etc. An example is the programme of poverty alleviation through job creation (ACOPAM programme) which was implemented in the Sahel from 1978 to 2000. It carried out more than 30 national field projects in six different countries, and benefited more than 85,000 men and women in rural areas through activities of self-management, village grain banks, savings and credit schemes, village irrigation schemes, and natural resource management.

72. The ILO Cooperative Branch assists Member States in designing appropriate cooperative development policies and legislation using the new Recommendation on the Promotion of Cooperatives. ILO also works with its social partners, and employers' and workers' organizations to promote cooperatives among their members. ICA and national cooperative apex organizations as well as cooperative training institutions are also among the ILO partners in cooperative development.

73. The Economic Commission for Europe (ECE) reports that it collaborated with the United Nations Human Settlements Programme (UN-Habitat) and ICA in organizing a colloquium on "Contribution of the cooperative sector to housing development" in Ankara, Turkey, in June 2002. This meeting was followed by a workshop on social housing in May 2003, which was organized jointly with the European Liaison Committee for Social Housing and ICA. ECE also reports that in its ongoing programme on human settlements, countries in transition are encouraged to examine the possibilities of reinforcing housing cooperatives, and that the Committee on Human Settlements supports further strengthening of cooperation with ICA through regular contacts and exchange of information on activities.

74. The Economic Commission for Latin America and the Caribbean (ECLAC) has implemented a project, with financial support from the Government of the Netherlands, consisting of six case studies of savings in the countries of the region. These studies highlighted the contribution of cooperatives to the attainment of social development goals and the need to promote a supportive environment for cooperatives.

75. The Economic and Social Commission for Asia and the Pacific (ESCAP) supports community-based self-help initiatives in the form of saving and microcredit schemes, and cooperatives. An important benefit of such an approach is that it enables poor women to own and operate collective enterprises in order to add value to the primary products they produce. A project entitled "Empowering women in poverty" which is planned for implementation in 2003 will focus on women's cooperatives. ESCAP has worked with the Asian Women in Cooperative Development Forum on critical areas of concern identified in the Beijing Platform for Action.[1]

76. The Economic and Social Commission for Western Asia (ESCWA) reports that agricultural cooperatives participated in the consultative process to develop a project entitled "Capacity-building to Support Agricultural and Rural Cooperatives to Foster Sustainable Development in South Lebanon". The World Food Programme (WFP) reports that it no longer engages in any direct interventions in the development and promotion of cooperatives as part of its activities, but continues to work with many organizations — local, national and international — that promote voluntary and self-help action through community-based associations.

77. ICA has been actively promoting the implementation of General Assembly resolution 56/114 as an integral part of its activities, and has disseminated the draft guidelines aimed at creating a supportive environment for the development of cooperatives to over 230 ICA member cooperatives organizations in 100 countries. In terms of its contribution to the achievement of the Millennium Development Goals, ICA will launch a Global Cooperative Campaign against Poverty at its General Assembly in September 2003.

78. ICA also actively participated in the revision of ILO Recommendation No. 127 on the Role of Cooperatives in the Economic and Social Development of Developing Countries (1966), and has disseminated information on the new ILO Recommendation No. 193 on cooperatives. It continues work on collecting and disseminating statistical information on cooperatives which shows the significance of cooperatives in national economies. ICA has established a Legislative Advisory Group to provide information and advice on cooperative legislation. Currently, ICA participates in the publication of a COPAC compendium of resources for cooperatives which includes the following items: Guidelines for Cooperative Legislation; a Manual on "How to Start a Cooperative"; and a Glossary of Cooperative Terminology.

C. International Day of Cooperatives

79. Many Governments report that the International Day of Cooperatives is celebrated in their country each year, but not all Governments participate in the observance of the Day. Of those Governments that do not now observe the Day, some report that they intend to start observing the Day in 2003 or at a later date.

80. In Canada, cooperatives celebrate achievements of the cooperative movement during the third week of October, which is linked with International Credit Union Day. This "cooperatives week" is recognized officially through public statements in the federal Parliament and in some provincial legislatures. In China, the theme of the Day varies from year to year, all aimed at publicizing the role and importance of

cooperatives in the Chinese economy, in helping disadvantaged groups, and in improving living conditions for all.

81. The Government of Mauritius and the National Cooperative Union organize a series of activities on the Day, including a picture contest and essay competition for primary and secondary school children so as to create awareness among children about cooperatives. In Panama, the Day is observed through the organization of conferences, forums on issues related to cooperatives, and a parade attended by thousands of cooperators from all regions. The observance of the Day ends with a speech by the President of the republic or a government representative.

82. In the Philippines, Cooperative Month is celebrated from 15 October to 16 November each year. The highlight of the event is the National Cooperative Summit. The members of the best cooperatives are invited to share their business operation experiences with the local cooperatives. In Ukraine, national, regional and local mass media provide information on the events of the Day, and on the achievements and role of cooperatives in the development of the country. The President, the Speaker of the Parliament and the Prime Minister attend the event celebrating the day.

83. The Department of Economic and Social Affairs marks the International Day of Cooperatives each year with special events: In 2001, a panel on "The role of cooperatives in poverty reduction" was held on 17 October to coincide with the International Day for the Eradication of Poverty. The panel discussion highlighted the important role cooperatives can play in achieving the goals of full and productive employment, eradication of poverty, social integration and the advancement of women. In 2002, a panel discussion on "Society and cooperatives: concern for community" was organized to highlight the important contribution that cooperatives make as associations and enterprises through which citizens can improve their lives while contributing to the economic, social, cultural and political advancement of their community and nation.

84. ILO and FAO report that they prepare, on a regular basis, special flyers on their activities in support of cooperative development for inclusion in the press pack that is issued by ICA each year for the Day. In addition, ILO and FAO encourage their social partners to participate with cooperative organizations in marking the Day in order to promote cooperative development.

85. ICA organizes an annual celebration of the Day, and distributes its message to mark the Day together with other material to over 2,000 organizations and individuals. In addition, information on the Day is posted on the ICA web site.

III. Conclusions and proposals for further action

86. **There is evidence that sustained efforts have been made to create a supportive environment for cooperative development in many countries. In particular, there have been efforts to revamp cooperative regulations and legislation in light of the draft guidelines aimed at creating a supportive environment for the development of cooperatives. There have also been many initiatives at all levels to enhance the capacity and efficiency of cooperatives and their management in order to better serve their members and communities through training, education, human resources development and exchange of**

good practices. International cooperation for cooperative development is also evident at the bilateral and multilateral levels.

87. **Several useful proposals for further action to promote a supportive environment for the development of cooperatives were provided in the responses to the questionnaires. Better legislation, training, research, partnerships, sharing of good practices, and human resources development were recurring themes and, in summary, it was proposed that:**

(a) **National cooperative training and information centres should be strengthened. Services such as information and referral, consultancy and training (including entrepreneurship development) should be provided to cooperatives in an integrated package. The development of joint ventures should also be encouraged;**

(b) **A stronger focus is needed on the integration and strengthening of national and international cooperative networks so as to facilitate the exchange of ideas, experiences and good practices, as well as the provision of technical, legal and institutional assistance. At the regional level, countries should exchange their experiences through conferences, seminars and/or workshops;**

(c) **COPAC should organize research on the cooperative model in order to demonstrate where it works best and where it can be used innovatively; and develop the means to share among States best practices and lessons learned. COPAC should also emphasize the links between cooperatives and social development, building and facilitating partnerships not just with cooperative organizations but with others sharing similar objectives or undertaking complementary work;**

(d) **The United Nations should provide further assistance for human resources development, technical advice and training through conferences, workshops and support for international cooperation on cooperatives. In this regard, it was suggested that it might be necessary to provide specific funds for creating and developing cooperatives within the remit of United Nations funds and programmes.**

Notes

[1] Replies were received from Bangladesh, Botswana, Cambodia, Canada, Chile, China, Colombia, Cyprus, Finland, Germany, Kuwait, Kyrgyzstan, Mali, Malta, Mauritius, Mongolia, Oman, Panama, Philippines, Portugal, Qatar, Russian Federation, Saint Kitts and Nevis, Spain, Turkey, Ukraine and United Kingdom of Great Britain and Northern Ireland.

[2] Replies were received from Food and Agriculture Organization of the United Nations; International Labour Office; Economic Commission for Europe; Economic Commission for Latin America and the Caribbean; Economic and Social Commission for Asia and the Pacific; Economic and Social Commission for Western Asia; World Food Programme; and International Cooperative Alliance (with inputs from the Cooperative Union of India).

[3] *Report of the Fourth World Conference on Women, Beijing, 4-15 September 1995* (United Nations publication, Sales No. E.96.IV.13), chap. I, resolution 1, annex II.